



R-23

Date: January 4, 2005
To: Honorable Mayor and Members of the City Council
From: Councilmember Rae Gabelich, Eighth District *RG*
Subject: AGENDA ITEM: LNG Facility at Port of Long Beach

In May, 2003, the Long Beach Board of Harbor Commissioners and Sound Energy Solutions (SES) entered into a letter of intent to consider the feasibility of a proposed liquefied natural gas terminal on the eastern portion of Pier T in the Port of Long Beach.

On May 13, 2003, the City Council authorized the City Manager to execute a Memorandum of Understanding with SES for the purpose of discussions concerning a future long-term gas contract and the feasibility and development, finance, construction, operation and maintenance of gas pipelines to the proposed LNG facility.

While the City Council action at that time was non-binding, it did assume the likelihood that an LNG facility would be located in the Port of Long Beach.

Since that time, it has become more evident that the location of an LNG facility within Long Beach would have a direct and serious impact upon the quality of life of the City's residents.

A recent report prepared by Sandia National Laboratories for the U.S. Department of Energy studied the risks and consequences of importing LNG by tanker into U.S. harbors. The report concluded, in part, that an attack on an LNG tanker could conceivably lead to an intense 550-yard radius of fire, while damage from the fire's heat could reach up to a mile away.

Based on subsequent community input and information, serious concerns have been raised about the safety of such an LNG facility in Long Beach, as well as the ultimate benefit to the residents of Long Beach.

Suggested Action:

Request a study session within 60 days to receive staff and public input on the appropriateness of locating an LNG facility in Long Beach.